GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:292
ANSWERED ON:08.12.2000
CONCEPT OF ECONOMIC VALUE ADDITION
MANI SHANKAR AIYAR

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government are aware of the concept of Economic Value Added (EVA) referred to in the document prepared by the Standing Conference of Public Enterprises (SCOPE) in association with the Centre for Industrial and Economic Research entitlec Comparative Performance of the Public Sector and Private Sector in India;

(b) If so, whether the Government subscribes to the validity of the concept of EVA;

(c) If not, the reasons therefor; and

(d) The EVA for each of the Central Public Sector Undertakings for successive years since 1990-91?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) Yes, Sir.

(b) EVA is a relatively a new concept to measure the efficiency of capital employed and is yet to gain wide usage.

(c) & (d) Do not arise.